



# Your Retirement...

PENSION & BENEFIT UPDATES FOR RETIREES OF THE ARIZONA STATE RETIREMENT SYSTEM

*A Message from the ASRS Director, Paul Matson:*

## ASRS Retiree Health Care Program

*Keeping it Affordable, Accessible and Value-Added*

In this Director's Message, I wish to let all ASRS members – both those enrolled and not enrolled in an ASRS retiree health insurance plan – know about our continued commitment to mitigate, as best we can, increasing medical and prescription drug costs. Some of our actions are readily seen while others happen behind the scenes during normal plan operations and administration.

For example, our UnitedHealthcare® Group Medicare Advantage or Senior Supplement plans are able to use the federal Medicare program to help offset some of the costs of care. This helps keep overall costs to an enrolled Medicare member lower. In contrast, non-Medicare enrolled members in UnitedHealthcare's Choice plans do not have another revenue source with which to share medical costs. This is the reason premiums in non-Medicare plans generally are higher than premiums in Medicare plans.

Deductibles, copayments, and coinsurance can encourage us to get care in the most effective place; for example, using an urgent care center is less expensive than services received from a hospital emergency room. But sometimes it's hard to know exactly what you need, so ASRS has several services at no additional charge that can help you determine the right place to go for care which helps you use your health care dollars more efficiently. One of those services is UnitedHealthcare's NurseLine<sup>(SM)</sup> – available 24 hours a day, 7 days a week – which is a great resource for helping answer questions

*"ASRS Retiree Health Care," continued on page two*

## Watch Your Email In-Box!

In response to feedback from our members, the ASRS will begin sending more timely communications via email.

We are excited about this new method of communicating with our members and are currently developing several electronic newsletters on a variety of topics, including news specifically for Retirees, Active and Inactive Members, and Employer-Members. Other electronic publications, such as legislative updates or other periodic notifications, will be developed on an as-needed basis as well.

To ensure you receive this information, take a moment to verify we have your preferred email address on file. Your "preferred email address" is where you would like to receive email notifications.

*"Email," continued on page two*

## Inside this issue...

- Are You Paying Too Much for Your Medications?... **3** ■ Caution to Retirees About Fraudulent Emails... **3** ■ The "Lifprint" Physician Network... **4** ■ Member Service Updates... **5** ■ The Security of Your ASRS Benefit... **5** ■ You Asked, Assurant Employee Benefits Answered... **6** ■ Thinking About Returning to Work?... **6** ■ So, You're Turning 65... **7**
- The Importance of Submitting a Pre-Determination... **7** ■ Tax Withholding Information... **8**

## ***“Email,” continued from page one***

To verify or update your preferred email address:

1. Go to the ASRS website at **www.azasrs.gov**
2. Click on the **Login Here** button located at the bottom of our home page.
3. Follow the prompts to log into your personal homepage. If you have not yet created a personal login, take a moment to look at the *“Guide to Online Registration”* located on that page to take you through this simple process.

Once logged into your personal ASRS homepage, you can verify or update your preferred email address as well as your contact information.

While you are there, we hope you will take a moment to look at all the services available to you on our secure website. Our online tools, available for your convenience, are part of our commitment to truly providing you service excellence. ■

## ***“ASRS Retiree Health Care,” continued from page one***

about a health concern and/or the appropriate type of care you should seek.

All of our retiree health care plans have a prescription drug plan component that provides access to the most therapeutic and appropriate medications available on the market today. To help you and your doctor make cost effective decisions about your medications, they are identified by generic and brand name and then grouped (also called tiers) into preferred, non-preferred, and specialty drugs.

In general, generic drugs are the least expensive and are just as effective as the more expensive brand name counterpart. Preferred medications are brand name drugs that are generally recommended for a specific condition but whose patent has not yet expired which would then allow for an available generic equivalent. The term “non-preferred” medication simply means that there are less expensive, equivalent drugs available for treating the same condition. Specialty medications cost typically more than \$250 per prescription, come in injectable or oral form, treat chronic and complex diseases, and generally require additional clinical support for better health outcomes. By grouping drugs in this manner, enrolled members and their doctors can discuss different treatment options that provide the best value.

Similar to the medical plans, Medicare helps share in the cost of providing Medicare prescription drug

coverage for Medicare-eligible enrolled members. This partnership helps keep your drug plan costs lower.

Currently, our health insurance plans are fully insured, meaning the insurance company carries the full risk of providing health insurance and paying all medical and drug claims within the benefits coverage. The ASRS is evaluating the advantages and disadvantages of moving to a self-funded retiree health insurance program. In other words, if the ASRS were to proceed with a self-funded program, the ASRS would become the insurance company. The ASRS would lease doctor and hospital networks from a health care plan provider and adopt an appropriate fee schedule with which to pay health care providers. The ASRS would contract for many of the administrative services currently provided by UnitedHealthcare to ensure uninterrupted medical plan services. One advantage of this approach would be that the ASRS would have greater access to health care claims data that allows the ASRS to exert direct control over the management and cost of our retiree health care program.

Most changes would go unnoticed by members since benefits and provider networks would remain the same. However, some changes would occur: members would need a new ID card and the plans would be given new names. This concept is utilized by the Arizona Department of Administration and is only being analyzed by the ASRS at this time. ■

## Are You Paying Too Much for Your Medications?

As consumers, we often price shop to get the best value for our dollar. However, you may not realize that you can also compare prices for prescription medications. There are often many medications that treat a particular illness. The medications may be equally effective, but their costs can vary greatly. Here are some tips on how to save money on prescription medications by choosing medications that offer the same or better health value, but may cost less.

### Know Your Pharmacy Benefit

Prescription medications are categorized by tiers on your formulary or Prescription Drug List (PDL). Each tier is assigned a cost, which is determined by your pharmacy benefit plan. Generally, the higher the tier, the higher your cost. Knowing the tiers your current medications are in and what lower cost options might be available will help you understand where you can save money.

- Talk to your doctor and pharmacist about identifying lower cost options.
- Check to see if using the mail order pharmacy will save you money on prescription medications you take on an ongoing basis.

### Consider Retail Pharmacies

Some retail pharmacies offer very low prices on select

generic drugs—often less than your usual member cost—and include commonly prescribed generic medications for several conditions such as diabetes, mental health, high blood pressure and infection (antibiotics).

- Ask your doctor if there is a generic option that is appropriate for you.
- Check with your local pharmacy, retail grocer, or big box store to learn if it offers a discount on generic medications.

### Ask About Over-the-Counter (OTC) Options

An OTC medication may be the right treatment for some conditions. These are not covered under your pharmacy benefit, but they may cost less than your out-of-pocket expense (e.g. copayment) for prescription medications.

- Ask your doctor or pharmacist if there is an OTC option available that is right for you.
- Check product and manufacturer websites for money saving coupons.

Always speak with your doctor first. While many medications may treat the same condition, some may be more appropriate than others. You and your doctor should make decisions together about your health care, including which medications to use. ■

## Caution to Retirees About Fraudulent Emails

The National Automated Clearing House Association (NACHA), the association that oversees electronic payments and direct deposits for financial institutions, is getting increased reports of e-mail attacks that make reference to automated clearing house (ACH) transfers, payments or transactions that contain a link or attachment that may infect your computer with malicious code when you click on the link. We want to inform our retirees who are signed up for direct deposit so you are aware of such emails. Do not click on any links or open any attachments within any email from anyone referencing an ACH transaction!

NACHA has reported that these attacks are occurring with greater frequency and increased sophistication. The contents of these fraudulent emails vary, with more recent examples including a counterfeit NACHA logo and the citation of NACHA's physical mailing address and telephone number.

As we always tell our members, do not open attachments or follow web links in unsolicited emails from unknown parties or that are suspicious or otherwise unusual. ■



# The “Lifeprint” Physician Network

## *Integrated, Personalized Health Care and Support*

Lifeprint is a provider network contracted with UnitedHealthcare that includes many of the physicians you may be seeing. These physicians, specialists, and other medical professionals have come together to create a new concept provider network that is focused on integrating care and providing additional support to help its members live healthier lives. Patients, doctors, medical information, care plans and medication history are connected together. Better collaboration leads to more effective, personalized health care that meets each patient’s unique needs.

The Lifeprint care model seeks to surround its patients with a community of health care services that addresses medical, social and emotional needs including:

- A care team led by the patient’s primary care physician.
- A community center – also open to non-Lifeprint patients – offering a social place to be physically active, mentally stimulated and socially engaged. The Lifeprint community center is located at 20414 North 27th Avenue, Phoenix, AZ, 85027. UnitedHealthcare will be adding additional centers in the future.

- On-going events to improve patients’ health knowledge and encourage social connections to family, friends and neighbors.
- A Lifeprint Care Clinic for patients whose needs are more medically complex.
- You may already be seeing a Lifeprint Network Physician. If you are, your member ID card will indicate the Lifeprint Physician Network. You can determine if your physician is part of the Lifeprint Physician Network by going to [www.LifeprintHealth.com](http://www.LifeprintHealth.com) and looking for your primary care physician in the Provider Look Up tool.

If you do not currently have a Lifeprint Network Physician but would like to be part of the Lifeprint care model, you must select a Lifeprint Network Primary Care Physician. After you have selected a Lifeprint Network Primary Care Physician, you will need to call UnitedHealthcare Customer Service at (877) 714-0178, TTY 711, from 8 AM-8 PM (local time), 7 days a week to change your Network and Primary Care Physician. After this change has been processed, you will receive a new ID card in the mail.



Lifeprint is all about getting it right the first time and simplifying a very complex set of health care variables. It’s about doing the right thing for members and collaboration to greatly enhance patient care.

For more information about the Lifeprint Physician Network, contracted with UnitedHealthcare, please visit their website at [www.LifeprintHealth.com](http://www.LifeprintHealth.com). ■

## Member Services Updates:

*Introducing the new  
“Appointment Scheduler”  
for personalized ASRS  
Benefit Advisor Consultations*

The ASRS is committed to providing the highest quality service to all of our members, and to do so in a cost-effective manner. To ensure we continue to meet this commitment, we are changing our policy for providing service to walk-in members.

Appointments will be required for all in-person counseling sessions at both our Phoenix and Tucson offices. This change will allow the ASRS to anticipate demand, decrease wait times and prepare in advance for your visit.

Please call the Member Advisory Center at (602) 240-2000 in Phoenix, (520) 239-3100 in Tucson or toll-free outside of the metro areas at (800) 621-3778 to set an appointment to see one of our Senior Benefits Advisors.

The ASRS encourages members to visit our website first to see if the information you seek is available online. You will find information about our webinars, meetings as well as be able to log into your personal account, update your personal information and more! ■

## The Security of Your ASRS Benefit

Several of our retirees have expressed concern regarding political or economic influences and their potential impact on current or future retirement benefits.

From news reports about the funding of public pension plans or legislative changes made to retirement plans to economic reports about investment performance, retirees sometimes express concern about their benefit, and how safe it is.

ASRS retirees can take comfort in knowing that their monthly benefit is secure, and there have been no outside influences that would change that – not changes in law, federal debt ceiling issues or stock market performance. In fact, ASRS benefits are explicitly protected under the Arizona Constitution.

Article XXIX, states: “The assets of public retirement systems, including investment earnings and contributions, are separate and independent trust funds and shall be invested, administered and distributed as determined by law solely in the interests of the members and beneficiaries of the public retirement systems.”

Further, it states that “Membership in a public retirement system is a contractual relationship . . . and public retirement system benefits shall not be diminished or impaired.”

This means that the ASRS will not be directed to reduce current benefits retirees are receiving, despite the political or economic climate.

Although benefits won't be decreased, there is no guarantee that they will increase. The ASRS plan does not offer automatic cost of living increases, such as seen with Social Security. Retiree benefits may be increased through the Permanent Benefit Increase (PBI), but this is based on state statutes that allow for such increases when there are available excess earnings on the ASRS fund.

However, there has not been a PBI in the last several years, and market performance – measured yearly and calculated on an actuarial basis over a 10-year period – has not been sufficient to project a benefit increase.

Still, there should not be a concern that the benefit you receive today will be reduced in the future. ■

# You Asked, Assurant Employee Benefits Answered!

Based on your requests and as discussed during our fall open enrollment meetings, the ASRS and Assurant Employee Benefits have made some changes to the Freedom Basic and Freedom Advance indemnity dental plans (often referred to as the “Low” and “High” option dental plans), which became effective January 1, 2012.

As a reminder, the plans will now allow routine exams and routine cleanings (also known as prophys) and periodontal maintenance two times per calendar year, rather than one time every six months as required last year.

What does this mean to you? To simplify scheduling and help you achieve optimal clinical outcomes, the frequencies for routine exams, along with the routine cleaning and/or perio maintenance, will be allowed two times per calendar year. Therefore, plan members can have two routine cleanings, two periodontal cleanings or one of each – along with their

two routine exams – anytime between January 1 through December 31, 2012.

For example, let’s consider Alice, who needs one routine cleaning and one periodontal cleaning each year. Since she travels from May through early September, Alice can have her cleaning on April 1 and her periodontal cleaning on September 15, rather than waiting six months to the day from April 1. This allows members additional choice and greater flexibility.

The Freedom Basic and Freedom Advance indemnity dental plans also continue to provide: freedom to visit the dentist of your choice, including specialists; PPO options through the Dental Health Alliance; fast and accurate claims service; no required referrals; and, a discount vision care program.

For more information on these dental plans and others, please visit [www.assurantemployeebenefits.com/ASRS](http://www.assurantemployeebenefits.com/ASRS). ■

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## Thinking of Returning to Work? *Be Cautious to Prevent Jeopardizing Your Benefit*

The ASRS receives inquiries each year from retirees who are contemplating returning to work for an ASRS employer, but wish to continue receiving their ASRS retirement benefit. ASRS return to work laws can be complicated. If you are considering returning to work for an ASRS employer, it is recommended that you review the *“I Want to Work After Retirement”* section of the ASRS website. The link is found on the homepage.

As a general rule, if an ASRS retiree accepts a position agreeing to work or actually does work 20 or more hours per week for 20 or more weeks in a fiscal year for an ASRS employer, the retiree’s ASRS pension will be suspended. The retiree will be required to repay his or her pension benefits received after the additional work even if working 20/20 was unintentional. The member and employer will also resume contributions to the ASRS.

There are some exceptions to this rule, including:

- Retiring without terminating employment
- Returning to work with reduced hours

- Returning to work after 12 months and being at normal retirement
- Returning to work and participating in another state retirement system or plan
- Returning to work as a leased employee or independent contractor
- Returning to work in a position that is not included under the employer’s Social Security coverage agreement.

Retirees should review their situation prior to accepting post-retirement employment with an ASRS employer.

It should also be noted that beginning July 1, 2012, employers will be required to pay an Alternate Contribution Rate (ACR) for members who return to work in any capacity and in a position ordinarily filled by an employee of the employer. The new law requires that the employer pay the ACR on behalf of any retiree that it employs, regardless of 20/20 status, regardless of direct/leasing/contracting arrangement, or whether the retiree satisfied the 12-month break in service without working in a leased or contract arrangement. ■



# So, You're turning 65... Congratulations!

## *The Lowdown on Medicare*

It's time to start taking advantage of your Medicare benefits. If you are enrolled in a non-Medicare ASRS retiree medical plan and become eligible for Medicare, you must enroll in one of the two ASRS medical plans specifically for Medicare-eligible retirees, if continued ASRS coverage is desired. If you are disabled, you will get Medicare coverage automatically after you have received Social Security Disability Income (SSDI) benefits for two years, at which time you must choose one of the two ASRS plans for Medicare eligible retirees.

Generally, you enroll in Medicare so that the effective date of coverage is the first day of the month in which you turn 65. The Centers for Medicare and Medicaid Services (CMS) will mail a Medicare card to you three months prior to your eligibility. Please follow the instructions carefully when you receive your Medicare card. The Medicare card will include your name, Medicare claim number, the type of coverage you have (Part A, Part B or both), and the date your Medicare coverage starts. The actual effective date of your ASRS medical coverage will be the first of the month *following receipt of your ASRS enrollment form*. Therefore, simultaneous enrollment in Medicare and an ASRS Medicare-eligible medical plan is important. A new ID card(s) and

Certificate(s) of Coverage for your new ASRS Medicare-eligible medical plan will be sent by UnitedHealthcare after your ASRS forms have been processed. The ASRS retiree medical benefits program does not permit retroactive enrollments.

If you become Medicare eligible (eg. turn 65) and you receive your group health insurance based on your own or your spouse's current active employment, you may delay enrolling in Part B. If you choose to delay enrollment in Part B, follow the instructions in the brochure that comes with the ID card and return the card to CMS before the effective date of Medicare coverage. If you keep your Medicare card, you will be required to pay Part B premiums.

Enrolling in Medicare is easy! Visit **www.medicare.gov** or call 800-MEDICARE (633-4227). TTY users should call (877) 486-2048, 24 hours / day, 7 days / week. Make sure you sign up three months before you turn 65 so that you'll get coverage beginning the month you actually reach your 65th birthday and avoid any delays in getting your benefits. ■



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## The Importance of Submitting a Pre-Determination

If you are enrolled in one of the Assurant Employee Benefits' indemnity dental plans—Freedom Basic (Low Option) or Freedom Advance (High Option)—be aware of the importance of submitting a Pre-Determination.

Your dental plan is designed to cover most preventive services at no or low cost. Should you need major dental services, your plan is designed to pay a portion of those costs with some out-of-pocket expense to you.

**What is a Pre-Determination?** Sometimes referred to as a Pre-Treatment Estimate, a pre-determination is an estimate of how much of a proposed treatment

plan will be covered under your dental plan. It is highly recommended that a pre-determination for any major services that are expected to exceed \$300 be obtained. By having your dentist submit a pre-determination, you will know up-front what your out-of-pocket dental costs will be before receiving major treatment.

A pre-determination is designed to avoid any misunderstanding between you, your dentist, and Assurant Employee Benefits regarding how much will be paid for any dental services. Be sure to ask your dentist to submit a pre-determination if he or she is proposing any treatment plan that may exceed \$300. ■



## Arizona State Retirement System

### *Your Retirement*

PO Box 33910

Phoenix AZ 85067-3910

*Have a question?*

***Ask MAC!***

**Online:** [www.azasrs.gov](http://www.azasrs.gov)

**Email:** [AskMAC@azasrs.gov](mailto:AskMAC@azasrs.gov)

**Phoenix Office:**

3300 North Central Avenue  
PO Box 33910  
Phoenix AZ 85067-3910  
(602) 240-2000

**Tucson Office:**

7660 East Broadway Boulevard  
Suite 108  
Tucson AZ 85710-3776  
(520) 239-3100

**Outside Metro Areas:**

Toll-free (800) 621-3778

## Tax Withholding Information

Please note that the 2012 federal tax tables were applied to all pension checks, beginning in February, and may have affected net benefit payments.

Retirees inquiring about a change in their pension amount can see the details of their payment on the ASRS website—[www.azasrs.gov](http://www.azasrs.gov). Retirees can log into their secure account to access the most recent deposit statements, which show tax withholdings.

Retirees can also change their tax withholdings from the ASRS website. To do this:

- Go to [www.azasrs.gov](http://www.azasrs.gov) and click on the “Login Here” button at the bottom of the page.
- After logging into your secure ASRS homepage, select the link to update tax withholdings. From this page, you can update your federal and/or Arizona tax withholdings.

Also note:

- 1099R tax forms can also be viewed and printed from your secure account. These end-of-year tax statements were mailed the last week of January and are also posted to retirees’ accounts on the ASRS secure website.
- Additional information on taxes is located on the ASRS website under the Retirees tab located at the top of the homepage.

## Comments?

*Your Retirement* is published by the ASRS in collaboration with benefit providers on a quarterly basis & mailed to retired, surviving beneficiaries and LTD members of the ASRS. We welcome your letters:

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